



NEW YORK STATE BANKING DEPARTMENT
CONSUMER SERVICES DIVISION
One State Street
New York, NY 10004

PUBLIC SUMMARY

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Date of Evaluation: *December 31, 2009*

Institution: Alma Bank
28-32 31st Street
Astoria, NY 11102

Note: This evaluation is not an assessment of the financial condition of this institution. The rating assigned does not represent an analysis, conclusion or opinion of the New York State Banking Department concerning the safety and soundness of this financial institution.

TABLE OF CONTENTS

	Section
General Information	1
Overview of Institution's Performance	2
Performance Context	3
Institution Profile	
Assessment Area	
Demographic & Economic Data	
Community Information	
Performance Standards and Assessment Factors	4
Loan-to-Deposit Analysis and Other	
Lending-Related Activities	
Assessment Area Concentration	
Distribution by Borrowers Characteristics	
Geographic Distribution of Loans	
Action Taken in Response to Written Complaints	
With Respect to CRA	
Additional Factors	
Glossary	5

GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (“CRA”) performance of Alma Bank (Alma) prepared by the New York State Banking Department. The evaluation represents the Banking Department’s current assessment and rating of the institution’s CRA performance based on an evaluation conducted as of December 31, 2009.

Section 28-b of the New York State Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Banks shall assess a banking institution’s record of helping to meet the credit needs of its entire community, including low- and moderate-income (“LMI”) areas, consistent with safe and sound operations.

Part 76 of the General Regulations of the Banking Board implements Section 28-b and further requires that the Banking Department assess the CRA performance records of regulated financial institutions. Part 76 establishes the framework and criteria by which the Department will evaluate the performance. Section 76.5 further provides that the Banking Department will prepare a written report summarizing the results of such assessment and will assign to each institution a numerical CRA rating based on a 1 to 4 scoring system. The numerical scores represent an assessment of CRA performance as follows:

- (1) outstanding record of meeting community credit needs;
- (2) satisfactory record of meeting community credit needs;
- (3) needs to improve record of meeting community credit needs; and
- (4) substantial noncompliance in meeting community credit needs.

Section 76.5 further requires that the CRA rating and the written summary be made available to the public (“Evaluation”). Evaluations of small banking institutions are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Section 76.12. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York State Banking Law.

For an explanation of technical terms used in this report, please consult the **GLOSSARY** at the back of this document.

OVERVIEW OF INSTITUTION'S PERFORMANCE

Alma's performance was evaluated according to the small bank performance criteria pursuant to Part 76.12 of the General Regulations of the Banking Board. This assessment period included calendar years 2007, 2008 and 2009. Alma is rated "2," indicating a "**Satisfactory**" record of helping to meet community credit needs. This is the first New York State CRA examination of Alma.

This rating is based on the following factors:

- **Loan-to-Deposit (LTD") Ratio and Other Lending-Related Activities:** "Satisfactory"
Alma's average LTD ratio was reasonable considering its size, business strategy, financial condition, aggregate, and peer group activity. As a de novo bank, it is reasonable that Alma's LTD ratios were lower than the peer group in its initial quarters. After the first two quarters, Alma's LTD ratios improved significantly, occasionally exceeding the peer group's LTD ratios, but remaining comparable. Alma is a small bank and not required to provide community development lending. However, in 2009, a four million dollar working capital line of credit was approved for an Astoria based construction company.
- **Assessment Area Concentration:** "Needs to Improve"
During the evaluation period, Alma originated only 48% of its HMDA-type, small business and consumer loans within its assessment area, which represented only 38% of the dollars lent. The majority of lending was outside of the assessment area, which constitutes less than satisfactory performance on this indicator. Alma's HMDA-type lending was rated "Substantial Non-Compliance."
- **Distribution by Borrowers Characteristics:** "Satisfactory"
The distribution of consumer and small business loans based on borrower characteristics demonstrated a reasonable penetration rate of lending among individuals of different income levels and businesses of different revenue sizes. The distribution of small business loans based on the revenue size of the business demonstrated an excellent penetration rate of lending among businesses of different revenue sizes. The distribution of consumer loans based on the income of the borrowers demonstrated a reasonable penetration rate of lending among borrowers of different income levels. The number of HMDA-type loans were too small to allow a meaningful analysis. In addition to the very small number of loans made, all HMDA-type loans were multifamily loans where borrower income was not reported.
- **Geographic Distribution of Loans:** "Satisfactory"
The distribution of loans based on small business and consumer lending in census tracts of varying income levels demonstrated a reasonable penetration rate of lending. The distribution of small business and consumer loans based on the income level of the geography demonstrated a reasonable penetration rate of lending. HMDA-type data were not analyzed for geographic distribution because the number of these loans was too small.

- **Action Taken in Response to Written Complaints With Respect to CRA:**
“Satisfactory”

Neither the bank nor the New York State Banking Department has received any written complaints regarding the bank’s CRA performance.

- **Other Factors**

Alma was approved for a Banking Development District branch in Sunset Park, Brooklyn. Banking Development Districts are designed to encourage the establishment of bank branches in those areas where there is a demonstrated need for banking services.

This evaluation was conducted based on a review of the 12 assessment factors set forth in Section 28-b of the New York State Banking Law and Part 76 of the General Regulations of the Banking Board.

PERFORMANCE CONTEXT

Institution Profile:

Chartered in 2007, Alma Bank (Alma) is a commercial bank located in Astoria, NY. The bank is privately held and operated by eight voting directors and one non-voting director. During the evaluation period, Alma had four branches. Subsequent to the evaluation period, Alma opened additional branches and now has ten branches. The bank offers a full array of deposit products. Lending is comprised of commercial real estate loans, construction loans, and consumer loans. Investments are largely in government or agency issues. The entire western portion of Queens is the bank's primary market, specifically targeting the ethnic Greek community.

As per the Consolidated Report of Condition (the Call Report) as of December 31, 2009, filed with the Federal Deposit Insurance Corporation ("FDIC"), Alma reported total assets of \$360.6 million of which \$220.2 million were net loans and lease finance receivables. It also reported total deposits of \$280.3 million, resulting in a loan-to-deposit ratio of 78.5%. According to the latest available comparative deposit data as of June 30, 2010, Alma obtained a market share of .55%, or \$415.1 million out of \$75 billion inside its market, ranking it 22nd among 63 deposit-taking institutions in Queens and Kings Counties.

The following is a summary of the bank's loan portfolio, based on Schedule RC-C of the bank's December 31, 2007, December 31, 2008, and December 31, 2009 Call Reports:

TOTAL GROSS LOANS OUTSTANDING						
Loan Type	2007		2008		2009	
	\$000's	%	\$000's	%	\$000's	%
1-4 Family Residential Mortgage Loans	0	0.0	1,294	1.1	1,283	0.6
Commercial & Industrial Loans	2,241	21.8	23,864	19.4	54,441	24.4
Commercial Mortgage Loans	4,475	43.5	58,952	48.0	91,106	40.8
Multifamily Mortgages	0	0.0	5,384	4.4	33,371	15.0
Consumer Loans	400	3.9	365	0.3	1,261	0.6
Agricultural Loans	0	0.0	0	0.0	0	0.0
Construction Loans	3,150	30.7	29,036	23.6	35,695	16.0
Obligations of States & Municipalities	0	0.0		0.0	0	0.0
Other Loans	11	0.1	3,974	3.2	6,024	2.7
Lease financing	0	0.0	0	0.0	0	0.0
Total Gross Loans	10,277		122,869		223,181	

As illustrated in the above chart, Alma is primarily a commercial business lender, with 66% of its loan portfolio in commercial loans.

As of December 31, 2009, Alma had four banking offices, of which three are located in Queens and one in Brooklyn. Supplementing the banking offices is an automated teller machine (“ATM”) network consisting of seven machines, including two at each of the Queens branches and one at the Brooklyn office. All the ATMs take deposits and the two Queens branches are in LMI areas.

There are no known financial or legal impediments that adversely impacted the bank’s ability to meet the credit needs of its community.

Assessment Area:

The bank’s assessment area is comprised of portions of Queens and Kings Counties.

There are 366 census tracts in the area, of which 10 are low-income, 120 are moderate-income, 137 are middle-income, 85 are upper-income and 14 are tracts with no income indicated.

Assessment Area Census Tracts by Income Level							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Queens*	11	5	86	115	73	290	31.4
Kings*	3	5	34	22	12	76	51.3
Total	14	10	120	137	85	366	35.5

* *Partial county*

The assessment area appears reasonable based upon the location of the bank’s offices and its lending patterns. There is no evidence that LMI areas have been arbitrarily excluded.

Demographic & Economic Data

The assessment area had a population of 1,348 thousand during the examination period. About 12.59% of the population were over the age of 65 and 19.4% were under the age of 16.

Of the 324,551 families in the assessment area, 25.65% were low-income, 17.86% were moderate-income, 19.36% were middle-income and 37.13% were upper-income families. There were 482,474 households in the assessment area, of which 15.45% had income below the poverty level and 4.37% were on public assistance.

The MSA median family income within the assessment area was \$49 thousand. The U.S. Department of Housing and Urban Development (“HUD”) updated median family income for the area was \$65 thousand in 2009.

There were 498,651 housing units within the assessment area, of which 63.68% were one-to-four family units, and 47.1% were multifamily units. The majority of the area's housing units were rental occupied units, while 34.77% were owner-occupied units. Of the 172,003 owner-occupied housing units, 19.82% were in moderate-income geographies while 39.34% were in middle-income tracts. The median age of the housing stock was 60 years and the median home value in the assessment area was \$214 thousand.

There were 89,991 non-farm businesses in the assessment area. Of these, 77.11% were businesses with reported revenues of a \$1 million or less, 4.44% reported revenues over a \$1 million, and 18.44% did not report their revenues. Of all the businesses in the assessment area, 82.78% were businesses with less than fifty employees while 95.42% operated from a single location. The largest industries in the area were services (39.74%), followed by retail trade (19.27%), and construction (7.91%), while 10.75% of businesses in the assessment area were not classified.

According to the Federal Reserve Bank of New York's Economic Press Briefing in July 2010, there were signs of a slow economic recovery in New York City and other parts of the state. The October 2010 New York State 90-Day Pre-Foreclosure Notice Report however, showed that foreclosures are still a problem in the assessment area. There were 26,221 pre-foreclosure filings in Brooklyn and Queens, representing almost 20% of the 134,000 pre-foreclosure filings between February 13 and August 31, 2010 in New York State. The statewide average of 90-day pre-foreclosure filings as a percentage of total mortgages was 5.2%. Queens and Kings Counties at 26,221 borrowers and 398,822 mortgages was 6.6% or 1.4 percentage points above the statewide average. Although the bank's assessment area is only parts of Queens and Kings Counties, the countywide foreclosure rates may be used as an indicator of the foreclosure rates within the assessment area.

According to the New York State Department of Labor, average unemployment rate for New York State rose to 8.4% in 2009 from 5.3% in 2008, and 4.5% in 2007. From 2007 to 2009, unemployment rates increased for the two New York City counties that make up the bank's assessment area. From 2007 to 2009, the unemployment rate in Kings County remained above the state's average. In Queens County the rate remained below the state average in 2007 and 2008 but rose above it in 2009. Overall, unemployment has risen significantly since the bank opened in 2007.

Assessment Area Unemployment Rate for New York City, NYC Counties, & Statewide				
	Statewide	NYC	Kings	Queens
2007 - Annual	4.5	4.9	5.3	4.4
2008 - Annual	5.3	5.4	5.8	4.9
2009 - Annual	8.4	9.5	10.1	8.6

Source: New York State Department of Labor

Community Information

The Central Astoria Local Development Coalition (CALDC) is a non-profit neighborhood preservation organization whose mission is to conduct activities designed to combat neighborhood deterioration in Astoria by assisting and advocating for local business organizations, tenants, and residential landowners. The Steinway Astoria Partnership is a CALDC affiliate funded by local businesses, including Alma Bank.. The primary community credit need identified by CALCD was the limited availability of affordable credit products for businesses and residential home buyers. Some banks have met the credit needs of the community but overall much improvement is needed. Alma Bank was cited as one of the few banks helping to meet those needs.

Queens is the largest in area and second most populous of the five boroughs of New York City with a population of 2.3 million. As of the 2005 American Community Survey, immigrants comprise 47.6% of Queens' residents and it is the most ethnically diverse county in the USA. The economy of Queens is based on tourism, industry, and trade. Located on the western portion of Long Island, Queens is home NYC's two airports, JFK International and LaGuardia. It is also the location of the New York Mets baseball team, the US Open tennis tournament, Kaufman Astoria Studios, Silvercup Studios, and Aqueduct Racetrack. Several large companies have their headquarters in Queens, including watchmaker Bulova, piano manufacturer Steinway & Sons, Glacéau, the makers of Vitamin Water, and JetBlue Airways. Long Island City is a major manufacturing and back office center. Flushing is a major commercial hub for Asian American businesses, while Jamaica is the major civic and transportation hub for the borough.

Brooklyn is New York City's most populous borough with approximately 2.5 million residents-and second largest in area. Brooklyn also serves as a convenient back office for New York City businesses. Forty-four percent of Brooklyn's employed population, or 410,000 people, work in the borough; more than half of the borough's residents work outside its boundaries. As a result, economic conditions in Manhattan are important to the borough's jobseekers. Strong international immigration to Brooklyn generates jobs in services, retailing and construction. Jobs in the borough have traditionally been concentrated in manufacturing, but since 1975, Brooklyn has shifted from a manufacturing-based to a service-based economy.

Both boroughs are densely populated and are composed of a patchwork of dozens of unique neighborhoods, each with its own distinct identity. Astoria is a neighborhood in northwest Queens with several shopping and commercial areas. The residential make-up is mostly houses and a few large apartment buildings and the population has a large ethnic Greek concentration. Bayside is a suburban neighborhood in northeast Queens with a residential make-up comprised primarily of houses and some small apartment buildings. Bayside is one of the most expensive and affluent neighborhoods in New York City. There are several commercial streets

that support the neighborhood with small businesses, bars and restaurants. Bay Ridge is a middle class neighborhood in southwest Brooklyn with a high elderly population. The two main commercial streets are comprised of many small businesses, restaurants, and bars.

The assessment area does not include any New York State Empowerment Zones but does include several economic development projects in Queens such as: Queens West Development Corporation by New York State and five similar development corporations in Long Island City, Hunter's Point, Willits Point, and Flushing.

PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

Alma was evaluated under the small banking institution's performance standards in accordance with Parts 76.7 and 76.12 of the General Regulations of the Banking Board. Alma's performance was evaluated according to the small bank performance criteria, which consists of the lending test including (1) loan-to-deposit ratio and other lending-related activities; (2) assessment area concentration; (3) distribution by borrower characteristics; (4) geographic distribution of loans; and (5) action taken in response to written complaints regarding CRA. The following factors were also considered in assessing the bank's record of performance: the extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance; any practices intended to discourage credit applications, evidence of prohibited discriminatory or other illegal credit practices; record of opening and closing offices and providing services at offices; and process factors, such as activities to ascertain credit needs and the extent of marketing and special credit related programs. Finally, the evaluation considered other factors as delineated in Section 28-b of the Banking Law that reasonably bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community.

Statistics employed in this evaluation were derived from various sources. Bank-specific information was submitted by the bank both as part of the examination process and on its Call Report submitted to the Federal Deposit Insurance Corporation ("FDIC"). Aggregate lending data were obtained from the Federal Financial Institutions Examination Council ("FFIEC") and deposit data were obtained from the FDIC. Loan-to-deposit ratios were calculated from information shown in the bank's Uniform Bank Performance Report ("UBPR") as submitted to the FDIC.

The demographic data referred to in this report were derived from the 2000 U.S. Census and the U.S. Department of Housing and Urban Development ("HUD"). Business demographic data used in this report provide information on US businesses, enhanced by Dun & Bradstreet reports and updated annually. Unemployment data were obtained from the New York State Department of Labor. Some non-specific bank data are only available on a county-wide basis, and were used even where the institution's assessment area includes partial counties.

The assessment period included calendar years 2007, 2008, and 2009.

Examiners considered Alma's small business and consumer loans in evaluating factors (2), (3) and (4) of the lending test as noted above. HMDA-type lending was evaluated for factor (2) only.

Small business lending was given greater weight in this evaluation, as it is the bank's largest loan category by number and dollar amount. Small business loan aggregate data are shown for comparative purposes. Alma is not required to report these loans and thus is not included in the aggregate data. Alma originated very few HMDA-type

loans, and was also not required to report these loans. All of these loans were multifamily loans. At the bank's request, consumer loans were evaluated. Aggregate consumer data were not available for comparative purposes.

This is the first CRA evaluation conducted by the New York State Banking Department.

Current CRA Rating: "Satisfactory"

Lending Test: "Satisfactory"

Alma's small business and consumer lending activities are reasonable in light of aggregate, peer group activity, and demographics.

Loan-to-Deposit Ratio and other Lending-Related Activities: "Satisfactory"

Alma's average LTD ratio was reasonable considering its size, business strategy, financial condition, aggregate, and peer group activity.

As a de novo bank, it is reasonable that Alma's LTD ratios were lower than the peer group in its initial quarters. However, after the first two quarters, Alma's LTD ratios improved significantly, occasionally exceeding the peer group's LTD ratios, but remaining comparable.

The chart below shows Alma's LTD ratios in comparison with the peer group's ratios for the ten quarters since the bank opened.

Loan-to-Deposit Ratios										
	2007 Q4	2008 Q1	2008 Q2	2008 Q3	2008 Q4	2009 Q1	2009 Q2	2009 Q3	2009 Q4	Avg.
Bank	32.1	60.9	98.2	76.1	78.9	80.1	88.2	78.9	78.6	74.7
Peer	89.4	93.5	99.0	95.9	93.2	88.5	87.7	85.0	83.7	90.7

Additional Lending Activity

Alma is a small bank and not required to provide community development lending. However, in 2009, a four million dollar working capital line of credit was approved for an Astoria based construction company. As of 2007 the company was involved in twelve school projects. The company has contracts with the New York City School Construction Authority which accounts for 85% of the company's projects.

Assessment Area Concentration: "Needs to Improve"

During the evaluation period, Alma originated only 48% of its HMDA-type, small business and consumer loans within its assessment area, which represented only 38% of the dollars lent. The majority of lending was outside of the assessment area which

constitutes less than satisfactory performance on this indicator. The bank's loans are distributed throughout the New York City area and there is a significant concentration in several Brooklyn communities adjacent to the assessment area.

HMDA-Type Loans: "Substantial Noncompliance"

The bank is not required to report HMDA loan data, but did make 21 HMDA-type loans totaling \$34 million during the evaluation period. However, only five of these loans were made within the bank's assessment area. Alma's \$34MM of HMDA-type lending represented a significant portion of the \$94 million lent for HMDA-type, small business and consumer lending. Multifamily lending is a critical need within Alma's assessment area, and Alma is not meeting this credit need.

Small Business Loans: "Needs to Improve"

During the evaluation period, for small business lending, Alma originated 47.2% by number, and 46.3% by dollar value of its loans within the assessment area. As less than half of its lending is being made within its assessment area, Alma needs to improve its record of lending within its assessment area.

Consumer Loans: "Satisfactory"

During the evaluation period, for consumer lending, Alma originated 57.1% by number, and 60.6% by dollar value of its loans within the assessment area. This majority of lending inside of its assessment area is a satisfactory record of lending within Alma's assessment area.

The following table shows the percentages of Alma's small business, consumer, and multifamily HMDA-type loans originated inside and outside of the assessment area.

Distribution of Loans Inside and Outside of the Assessment Area										
Loan Type	Number of Loans					Loans in Dollars (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
HMDA-Reportable										
2007	-	0.0%	1	100.0%	1	0	0.0%	1,600	100.0%	1,600
2008	-	0.0%	4	100.0%	4	0	0.0%	5,832	100.0%	5,832
2009	5	31.3%	11	68.8%	16	6,800	25.6%	19,731	74.4%	26,531
Subtotal	5	23.8%	16	76.2%	21	6,800	20.0%	27,163	80.0%	33,963
Small Business										
2007	10	55.6%	8	44.4%	18	1,265	39.7%	1,925	60.3%	3,190
2008	35	50.7%	34	49.3%	69	9,946	47.0%	11,218	53.0%	21,164
2009	40	43.0%	53	57.0%	93	12,635	46.5%	14,529	53.5%	27,164
Subtotal	85	47.2%	95	52.8%	180	23,846	46.3%	27,672	53.7%	51,518
Consumer										
2007	4	100.0%	-	0.0%	4	1,050	100.0%	-	0.0%	1,050
2008	16	57.1%	12	42.9%	28	737	45.3%	889	54.7%	1,626
2009	20	52.6%	18	47.4%	38	3,366	57.8%	2,462	42.2%	5,828
Subtotal	40	57.1%	30	42.9%	70	5,153	60.6%	3,351	39.4%	8,504
Grand Total	130	48.0%	141	52.0%	271	35,799	38.1%	58,186	61.9%	93,985

Distribution by Borrower Characteristics: "Satisfactory"

The distribution of loans based on borrower characteristics demonstrated a reasonable penetration rate of lending among individuals of different income levels and businesses of different revenue sizes.

HMDA-Type Loans: "Not Rated"

HMDA-type data were not reviewed for borrower distribution. In addition to the very small number of loans made, making meaningful analysis difficult, most of the loans were multifamily loans where borrower income was not reported.

Small Business Loans: "Satisfactory"

The distribution of small business loans based on the revenue size of the business demonstrated a reasonable penetration rate of lending among businesses of different revenue sizes.

The bank outperformed the aggregate in lending to businesses with revenues less than a million dollars and its lending penetration ratio was roughly comparable to the business demographics.

The following chart provides a summary of Alma's small business lending distribution based on revenue size during the evaluation period:

Distribution of Small Business Lending by Revenue Size of Business									
2007									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	9	90.0%	1,015	80.2%	22,602	34.1%	526,288	43.7%	70.4%
Rev. > \$1MM	1	10.0%	250	19.8%	Aggregate Data Not Available				5.2%
Rev. Unknown	-	0.0%	0	0.0%	Aggregate Data Not Available				24.4%
Total	10		1,265		66,218		1,205,256		
2008									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	23	65.7%	5,766	58.0%	11,847	24.1%	396,386	36.6%	68.8%
Rev. > \$1MM	12	34.3%	4,180	42.0%	Aggregate Data Not Available				4.6%
Rev. Unknown	-	0.0%	0	0.0%	Aggregate Data Not Available				26.6%
Total	35		9,946		49,192		1,082,524		
2009									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	26	65.0%	9,175	72.6%	3,849	18.1%	147,868	24.9%	77.1%
Rev. > \$1MM	11	27.5%	2,860	22.6%	Aggregate Data Not Available				4.4%
Rev. Unknown	3	7.5%	600	4.7%	Aggregate Data Not Available				18.4%
Total	40		12,635		21,303		594,540		
GRAND TOTAL									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	58	68.2%	15,956	66.9%		28.0%		37.1%	
Rev. > \$1MM	24	28.2%	7,290	30.6%	Aggregate Data Not Available				
Rev. Unknown	3	3.5%	600	2.5%	Aggregate Data Not Available				
Total	85		23,846						

Consumer Loans: "Satisfactory"

The distribution of consumer loans based on the income of the borrowers demonstrated a reasonable penetration rate of lending among borrowers of different income levels.

Aggregate data are not available for comparison. Therefore, Alma's lending penetration ratios were compared to the household demographics. Alma's three-year lending penetration ratio average was 27.5%, lower than the demographic opportunity of 40%.

The following chart provides a summary of Alma's consumer lending distribution based on borrowers of different income levels during the evaluation period:

Distribution of Consumer Lending by Borrower Income					
2007					
Borrower	Bank				HH Dem.
Income	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	25.0%
Moderate	0	0.0%	0	0.0%	15.0%
LMI	0	0.0%	0	0.0%	40.0%
Middle	0	0.0%	0	0.0%	18.0%
Upper	3	75.0%	600	57.1%	41.0%
Unknown	1	25.0%	450	42.9%	0.0%
Total	4		1,050		
2008					
Borrower	Bank				HH Dem.
Income	#	%	\$000's	%	%
Low	1	6.3%	3	0.4%	25.0%
Moderate	3	18.8%	25	3.4%	15.0%
LMI	4	25.0%	28	3.8%	40.0%
Middle	0	0.0%	0	0.0%	18.0%
Upper	11	68.8%	209	28.4%	41.0%
Unknown	1	6.3%	500	67.8%	0.0%
Total	16		737		
2009					
Borrower	Bank				HH Dem.
Income	#	%	\$000's	%	%
Low	3	15.0%	16	0.5%	25.0%
Moderate	4	20.0%	43	1.3%	15.0%
LMI	7	35.0%	59	1.8%	40.0%
Middle	1	5.0%	12	0.4%	18.0%
Upper	4	20.0%	77	2.3%	41.0%
Unknown	8	40.0%	3,218	95.6%	0.0%
Total	20		3,366		
GRAND TOTAL					
Borrower	Bank				HH Dem.
Income	#	%	\$000's	%	%
Low	4	10.0%	19	0.4%	25.0%
Moderate	7	17.5%	68	1.3%	15.0%
LMI	11	27.5%	87	1.7%	40.0%
Middle	1	2.5%	12	0.2%	18.0%
Upper	18	45.0%	886	17.2%	41.0%
Unknown	10	25.0%	4,168	80.9%	0.0%
Total	40		5,153		

Geographic Distribution of Loans: "Satisfactory"

The distribution of loans based on lending in census tracts of varying income levels demonstrated a reasonable penetration rate of lending.

HMDA-Type Loans: "Not Rated"

The bank made five HMDA-type loans within the assessment area. As such, the number of loans was not significant enough to allow a meaningful analysis for this

evaluation.

Small Business Loans: "Satisfactory"

The distribution of small business loans based on the income level of the geography of the business demonstrated a reasonable penetration rate of lending.

The bank's rate of lending to businesses in LMI tracts outperformed the aggregate by number and underperformed it by dollar value but overall it is on par with the aggregate. When measured against the business demographics of the assessment area, the bank's lending to businesses in LMI tracts was roughly comparable to the opportunity.

The following chart provides a summary of Alma's small business lending distribution based on the income level of the geography.

Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract									
2007									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	1,177	1.8%	25,155	2.1%	1.8%
Moderate	7	70.0%	1,135	89.7%	21,963	33.2%	419,597	34.8%	38.7%
LMI	7	70.0%	1,135	89.7%	23,140	34.9%	444,752	36.9%	40.5%
Middle	0	0.0%	0	0.0%	26,680	40.3%	478,242	39.7%	39.6%
Upper	3	30.0%	130	10.3%	15,856	23.9%	250,346	20.8%	12.8%
Unknown	0	0.0%	0	0.0%	542	0.8%	31,916	2.6%	1.1%
Total	10		1,265		66,218		1,205,256		
2008									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	974	2.0%	23,423	2.2%	1.9%
Moderate	13	37.1%	3,495	35.1%	16,298	33.1%	407,970	37.7%	39.0%
LMI	13	37.1%	3,495	35.1%	17,272	35.1%	431,393	39.9%	40.9%
Middle	14	40.0%	5,256	52.8%	19,540	39.7%	411,856	38.0%	39.6%
Upper	8	22.9%	1,195	12.0%	11,897	24.2%	202,180	18.7%	18.4%
Unknown	0	0.0%	0	0.0%	483	1.0%	37,095	3.4%	1.1%
Total	35		9,946		49,192		1,082,524		
2009									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	482	2.3%	11,261	1.9%	1.9%
Moderate	13	32.5%	3,050	24.1%	7,077	33.2%	255,318	42.9%	39.0%
LMI	13	32.5%	3,050	24.1%	7,559	35.5%	266,579	44.8%	40.9%
Middle	8	20.0%	2,955	23.4%	8,305	39.0%	210,132	35.3%	39.5%
Upper	19	47.5%	6,630	52.5%	5,132	24.1%	103,917	17.5%	18.6%
Unknown	0	0.0%	0	0.0%	307	1.4%	13,912	2.3%	1.1%
Total	40		12,635		21,303		594,540		0.0%
GRAND TOTAL									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%		1.9%		2.1%	
Moderate	33	38.8%	7,680	32.2%		33.2%		37.6%	
LMI	33	38.8%	7,680	32.2%		35.1%		39.6%	
Middle	22	25.9%	8,211	34.4%		39.9%		38.2%	
Upper	30	35.3%	7,955	33.4%		24.1%		19.3%	
Unknown	0	0.0%	0	0.0%		1.0%		2.9%	
Total	85		23,846						

Consumer Loans: "Satisfactory"

The distribution of consumer loans based on the income level of the geography of the borrowers demonstrated an adequate rate of lending among borrowers of different income levels.

By number and dollar amount, the level of Alma's consumer lending was generally on par with the household demographics during the evaluation period.

The following chart provides a summary of Alma's consumer lending distribution based on borrowers of different income levels during the evaluation period:

Distribution of Consumer Lending by Geographic Income of the Census Tract					
2007					
Geographic Income	Bank				HH Dem.
	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	2.7%
Moderate	1	25.0%	450	42.9%	34.6%
LMI	1	25.0%	450	42.9%	37.3%
Middle	0	0.0%	0	0.0%	41.3%
Upper	3	75.0%	600	57.1%	21.4%
Unknown	0	0.0%	0	0.0%	0.0%
Total	4		1,050		
2008					
Geographic Income	Bank				HH Dem.
	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	2.7%
Moderate	6	37.5%	584	79.2%	34.6%
LMI	6	37.5%	584	79.2%	37.3%
Middle	3	18.8%	50	6.8%	41.3%
Upper	7	43.8%	103	14.0%	21.4%
Unknown	0	0.0%	0	0.0%	0.0%
Total	16		737		
2009					
Geographic Income	Bank				HH Dem.
	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	2.7%
Moderate	6	30.0%	717	21.3%	34.6%
LMI	6	30.0%	717	21.3%	37.3%
Middle	13	65.0%	2,619	77.8%	41.3%
Upper	1	5.0%	30	0.9%	21.4%
Unknown	0	0.0%	0	0.0%	0.0%
Total	20		3,366		
GRAND TOTAL					
Geographic Income	Bank				HH Dem.
	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	
Moderate	13	32.5%	1,751	34.0%	
LMI	13	32.5%	1,751	34.0%	
Middle	16	40.0%	2,669	51.8%	
Upper	11	27.5%	733	14.2%	
Unknown	-	0.0%	-	0.0%	
Total	40		5,153		

Action Taken In Response to Written Complaints With Respect to CRA: "Satisfactory"

Since the bank opened in 2007, neither Alma nor the New York State Banking Department has received any written complaints regarding Alma's CRA performance.

Additional Factors

The extent of participation by the banking institution's board of directors or board of trustees in formulating the banking institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act

The bank solicited information regarding relevant community events and initiatives regarding CRA matters from its branch managers but did not have regular oversight at the board level. An annual report of CRA lending activity was presented to the board for review. The June 2009 report was submitted for the July 2009 board meeting.

Any practices intended to discourage applications for types of credit set forth in the banking institution's CRA Public File

NYSBD noted no practices that were intended to discourage applications for the types of credit offered by the institution.

Evidence of prohibited discriminatory or other illegal credit practices

NYSBD noted no evidence of prohibited discriminatory or other illegal practices.

Record of opening and closing offices and providing services at offices

During the evaluation period, the bank opened three additional branches, one each in Astoria and Bayside, Queens, and Bay Ridge, Brooklyn. All branches have deposit-taking ATMs. The main branch, Ditmars, and Bayside have two ATMs and Bay Ridge has one. The two Astoria branches are located in moderate-income tracts while the Bayside and Bay Ridge branches are located in middle-income tracts. Although the Bay Ridge branch is located in a middle-income tract, it serves a multi-tract community comprised of low-, moderate- and middle-income tracts. All branches hold regular banking hours of 9-4:30/5pm Monday through Thursday with extended hours until 6 pm on Friday, and 10-2pm on Saturday. The bank offers online and telephone banking to all its customers and remote deposit capture for business accounts.

Distribution of Branches within the Assessment Area								
County	N/A #	Low #	Moderate #	Middle #	Upper #	Total #	LMI %	LMI and Distressed or Underserved
*Queens	0	0	2	1	0	3	67%	67%
*Kings	0	0	0	1	0	1	0%	0%
Total	-	-	2	2	-	4	50%	50%

*Partial County

Process Factors

- Activities conducted by the banking institution to ascertain the credit needs of its

community, including the extent of the banking institution's efforts to communicate with members of its community regarding the credit services being provided by the banking institution

Throughout 2009, the bank explored the identification of LMI geographies in an effort to establish a banking facility in an under-banked area. The result of this effort was the opening of a branch in May 2010 in Sunset Park, Brooklyn. The neighborhood is predominantly LMI with a large light industrial and small business commercial district. The bank did an extensive analysis of the credit needs of the community and filed an application with the NYSBD to designate the area as a banking development district for which it was approved in November 2010.

- The extent of the banking institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the banking institution

The bank advertised in free local newspapers that were distributed at bank branches, grocery stores, diners and other local places in the community. Alma also held promotional events, such as raffles, when a new branch opened, and gave out promotional items at schools. Brochures were provided at the branches which detail their product offerings, and the bank's website also serves as a marketing tool for its products and its small business resource center. The bank also has reached out to community groups and government offices to increase awareness of the bank. In addition to the mandated Basic Banking Account, Alma offers a checking account that does not have a maintenance fee, and allows unlimited transactions.

Other factors that in the judgment of the Superintendent and Banking Board bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community

During the evaluation period, the bank provided a seminar on small business loans for the Caribbean American Chamber of Commerce in Brooklyn. This activity, and the extension of community development lending, are not required of small banks such as Alma.

In addition, several management and executive staff members are involved in community and business organizations that have a community or economic development focus such as: The Brooklyn Economic Development Corporation, The Brooklyn Chamber of Commerce, The Steinway Street Merchants Association, The Bayside Business Association, The Sunset Park Redevelopment Committee, Inc., and, The Richmond Hill Block and Business Association.

In addition to CRA activities, the bank is also active in the communities it serves through charitable donations and networking opportunities. The bank made 80 donations to charitable organizations totaling \$29 thousand dollars during the evaluation period.

Management and staff also are involved with other community organizations that serve a broader civic purpose, such as, The Greek American Homeowners Association, Sunset Park Lions Club, Sunset Park Dancers in Repertory, and the Islamic Society of Bay Ridge.

GLOSSARY

Aggregate Penetration Rate

The number of loans originated and purchased by all reporting lenders in specified categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the assessment area.

Community Development

The term “community development” is defined to mean:

1. Affordable housing (including multifamily housing) for low- or moderate-income (“LMI”) individuals;
2. Community services targeted to LMI individuals;
3. Activities that promote economic development by financing business or farms that meet the size eligibility standards of the United States Small Business Administration (“SBA”) Development Company or Small Business Investment Company programs, or have gross annual incomes of \$1 million or less;
4. Activities that revitalize or stabilize LMI geographies; and
5. Activities that seek to prevent defaults and/or foreclosures in loans included in (1) and (3) above.

A “community development loan” is defined as a loan that has as its *primary purpose* community development. This includes but is not limited to loans to:

- Borrowers for affordable housing rehabilitation and construction, including construction and permanent financing for multifamily rental property serving low or moderate income (“LMI”) persons;
- Nonprofit organizations serving primarily LMI or other community development needs;
- Borrowers to construct or rehabilitate community facilities that are located in LMI areas or that primarily serve LMI individuals;
- Financial intermediaries including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds or pools, micro-finance institutions, and low-income or community development credit unions that primarily lend or facilitate lending to promote community development;
- Local, state and tribal governments for community development activities; and
- Borrowers to finance environmental clean up or redevelopment of an industrial site as part of an effort to revitalize the LMI community in which the property is located.

A “qualified investment” is defined as a lawful investment, deposit, membership share or grant that has as its *primary purpose* community development. This includes but is not limited to investments, deposits, membership shares or grants in or to:

- Financial intermediaries (including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds, micro-finance institutions and low-income or community development credit unions) that primarily lend or facilitate lending in LMI areas or to LMI individuals in order to promote community development;
- Organizations engaged in affordable housing rehabilitation and construction;
- Organizations, including, for example, small business investment corporations that promote economic development by financing small businesses;
- Facilities that promote community development in LMI areas or LMI individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women’s centers, and alcohol and drug recovery centers;
- Projects eligible for low-income housing tax credits;
- State and municipal obligations, such as revenue bonds that specifically support affordable housing or other community development needs;
- Organizations serving LMI housing or other community development needs, such as counseling for credit, home ownership, home maintenance, and other financial services education; and
- Organizations supporting activities essential to the capacity of LMI individuals or geographies to utilize credit to sustain economic development, such as day care operations and job training programs that facilitate access to permanent jobs.

A “community development service” is defined as a service that has as its *primary purpose* community development, is related to the provision of financial services, and has not been considered in the evaluation of the banking institution's retail banking services. This includes but is not limited to:

- Providing technical assistance on financial matters to nonprofit, tribal or government organizations serving LMI housing or economic revitalization and development needs;
- Providing technical assistance on financial matters to small businesses or community development organizations;
- Lending employees to provide financial services for organizations facilitating affordable housing construction and rehabilitation or development of affordable housing;
- Providing credit counseling, home buyers and home maintenance counseling, financial planning or other financial services education to promote community development and affordable housing;
- Establishing school savings programs for LMI individuals;
- Providing seminars for LMI persons on banking and bank account record-keeping;
- Making ATM “Training Machines” available for extended periods at LMI community sites or at community facilities that serve LMI individuals; and
- Technical assistance activities to community development organizations such as:
 - ❖ Serving on a loan review committee;
 - ❖ Developing loan application and underwriting standards;
 - ❖ Developing loan processing systems;

- ❖ Developing secondary market vehicles or programs;
- ❖ Assisting in marketing financial services, including the development of advertising and promotions, publications, workshops and conferences;
- ❖ Furnishing financial services training for staff and management;
- ❖ Contributing accounting/bookkeeping services; and
- ❖ Assisting in fund raising, including soliciting or arranging investments.

Home Mortgage Disclosure Act (“HMDA”)

The Home Mortgage Disclosure Act, enacted by Congress in 1975, and subsequently amended, requires institutions to annually report data about applications for residential (including multifamily) financing.

Income Level

The income level of the person, family or household is based on the income of person, family or household. A geography’s income is categorized by median family income for the geography. In both cases, the income is compared to the MSA or statewide nonmetropolitan median income.

Income level of individual or geography	% of the area median income
Low-income	Less than 50
Moderate-income	At least 50 and less than 80
Middle-income	At least 80 and less than 120
Upper-income	120 or more

Loans to Small Businesses

Small business loans to businesses with gross annual revenues (“GAR”) of \$1 million or less (“< = \$ 1MM”).

Low or Moderate Income (“LMI”) Geographies

Those census tracts or block numbering areas (“BNAs”), where according to the 2000 US Census, the median family income is less than 80% of the area median family income. In the case of tracted areas that are part of a Metropolitan Statistical Area (“MSA”) or Primary Metropolitan Statistical Area (“PMSA”), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of BNAs and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide non-metropolitan median family income.

LMI Borrowers

Borrowers whose income, as reported on the loan application which the lender relied upon in making the credit decision, is less than 80% of the area median family income. In the case where the residential property is located in a MSA or PMSA, this would

relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure borrower income levels are updated annually by the U.S. Department of Housing and Urban Development (“HUD”).

LMI Individuals/Persons

Individuals or persons whose income is less than 80% of the area median family income. In the case where the individual resides in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by HUD.

LMI Penetration Rate

A number that depicts the percentage of a bank’s total loans (for a particular product) that was extended to LMI geographies or borrowers. For example, an LMI penetration rate of 20% would indicate that the bank made 20 out of a total of 100 loans in LMI geographies or to LMI borrowers.

Small Business Loans

Loans to businesses with original amounts of \leq \$1MM.